


CONFIDENTIAL**UNITED STATES DEPARTMENT OF COMMERCE**
The Under Secretary for International Trade
Washington, D.C. 20230**MAR 7 1983**

Not referred to DOC. Waiver applies.

MEMORANDUM FOR Marc Leland

FROM: Lionel H. Olmer SUBJECT: EAA: Background Papers for Thursday, 10 March
SIG-IEP Meeting

Per your request, Attachments 1 and 2 are the proposed Administration Bill and accompanying section by section analysis which the Commerce Department submitted to OMB today.

Seven issues relating to the renewal of the EAA were raised at the last SIG-IEP meeting (see Attachment 3). Consistent with the guidance received at that meeting and following, we have proposed a bill that addresses these 7 issues in the following fashion:

1) Extraterritoriality

- o no change has been made to substantive provisions of the current Act;
- o a policy declaration is included that the impact of controls on business in allied or other friendly countries should be minimized;

2) Business Protection Against Export Controls

- o a modified version of the contract sanctity provision for agricultural commodities (set forth in the Futures Trading Act of 1982) is included;
- o no provision for compensation for losses or OPIC insurance is included;
- o no provision for a congressional veto is included;

3) Energy Dependence Controls

- o no policy or other provision on this point is included;

4) Exports to Embassies

- o no substantive provisions are added to the Act;
- o a policy declaration is included calling for a study of the issue by the Secretaries of Commerce, Defense, State and the Attorney General;

NSC review completed.

Classified by Lionel H. Olmer
Declassified on 3/8/93**CONFIDENTIAL**